

## Message Text

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PAGE 01 OPORTO 00076 231013Z  
ACTION EUR-12

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C O N F I D E N T I A L OPORTO 0076

E.O. 11652: GDS  
TAGS: ELAB PO  
SUBJECT: LABOR ELECTIONS IN NORTHERN PORTUGAL

REF: LISBON 1984

SUMMARY. BY CLOSE MARGINS, PSD SLATES WON THE MARCH 17 BANK AND INSURANCE WORKERS UNION ELECTIONS MARKED BY HIGH VOTER TURNOUT AND HEAVY COMMUNIST FINANCING OF PS/PCP TICKET. BANKWORKERS ALSO WENT OUT IN A SERIES OF AFTERNOON STRIKES BEGINNING MARCH 20 TO FORCE THE PACE ON LABOR CONTRACT NEGOTIATIONS WHICH HAVE DRAGGED ON FOR 16 MONTHS. PS/CDS GOVERNMENT CAN EXPECT LABOR STRIFE FROM RIGHT AND LEFT PARTICULARLY WHERE GRIEVANCES SEEM JUSTIFIED. IN TWO OTHER MAJOR NORTHERN UNION ELECTIONS MARCH 19, COMMUNISTS EASILY MAINTAINED THEIR CONTROL OF THE METAL AND TEXTILE WORKERS.

1. DEMOCRATIC WIN IN WHITE COLLAR UNIONS. AS PREDICTED REFTEL, DEMOCRATIC SLATES WON MARCH 17 UNION ELECTIONS IN BANKING AND INSURANCE REPRESENTING TWO OF THE MOST IMPORTANT ORGANIZED SERVICE INDUSTRIES IN THE NORTH. TURNOUT WAS HIGH, 85 PERCENT AND 70 PERCENT RESPECTIVELY. INCUMBENT SOCIAL DEMOCRATIC (PSD) BANKERS UNION LEADERSHIP RECEIVED 53 PERCENT OF VOTES  
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PAGE 02 OPORTO 00076 231013Z

CAST DESPITE HEAVY COMMUNIST CAMPAIGN FINANCING AND A LEFTIST "UNITY SLATE" BACKED BY THE PS AND PCP. NORTHERN INSURANCE WORKERS UNION HAD BEEN CONTROLLED BY PSD/PS BUT BOTH PARTIES RAN SEPARATE LISTS MARCH 17 AGAINST PCP-SUPPORTED TICKET. PSD WON BY ONLY FIFTY VOTES OVER THE COMMUNISTS; SOCIALISTS RAN A POOR THIRD.

2. BANKWORKERS VOTE THEN STRIKE. BANKWORKERS UNION ELECTION FELL ON EVE OF STRIKE CALL. LAST BANKWORKERS CONTRACT WAS SIGNED IN 1973. NEW CONTRACT NEGOTIATIONS HAVE DRAGGED ON SINCE 1976. UNION DEMANDS INCLUDE EQUAL PAY FOR EQUAL WORK, GUARANTEES AGAINST SUDDEN TRANSFERS AND FIRING WITHOUT DUE PROCESS AND COMPREHENSIVE REVIEW OF RETIREMENT BENEFITS. UNION CALLED AND VOTED AFTERNOON STRIKES THIS WEEK AND FULL DAY STRIKE NEXT WEEK (REFTEL PARA 4). THE STRIKE HAS BEEN ALMOST TOTALLY EFFECTIVE IN THE NORTH. ALL OPORTO BANKS, INCLUDING FOREIGN-OWNED, CLOSED AFTERNOONS MARCH 20 AND 21. BANKWORKERS ARE GIVING PREFERENTIAL TREATMENT DURING MORNINGS TO PENSIONERS. IMMIGRANTS AND COMMERCIAL CURRENCY TRANSACTIONS TO EASE STRIKE IMPACT AND HAVE LAUNCHED LOCAL PRESS CAMPAIGN TO EXPLAIN REASONS FOR STRIKE.

3. COMMENT. ABILITY TO CALL AND RUN SUCCESSFUL STRIKE AND SIMULTANEOUSLY DEFEAT BETTER-HEELED OPPONENTS ATTESTS TO PSD STRENGTH AND ORGANIZATIONAL SKILLS IN NORTHERN BANKWORKERS UNION, THE ONLY UNION IN THE NORTH SINCE THE REVOLUTION TO HAVE EVER PUBLICLY SPONSORED EMBASSY LISBON SUPPLIED SPEAKERS. MASTERMIND BEHIND DEMOCRATIC ELECTION VICTORIES IS REPORTEDLY RUI AMARAL, 1977 IVP GRANTEE, AND OPORTO DIRECTOR OF THE PSD-SUPPORTED OLIVEIRA MARTINS FOUNDATION. TIMING OF BANKWORKERS STRIKE IS NOT COINCIDENTAL. LOCAL PSD LABOR SOURCE CLAIMS FINANCE MINISTRY HAS BEEN BARGAINING IN BAD FAITH FOR PAST YEAR TO PREVENT PSD INCUMBENT LEADERSHIP FROM CONFIDENTIAL

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PAGE 03 OPORTO 00076 231013Z

ENTERING ELECTION WITH SIGNED CONTRACT IN HAND. HAD THAT HAPPENED, PSD VICTORY MIGHT HAVE BEEN OVERWHELMING. SAME SOURCE SAID CURRENT ROUND OF UNION ELECTIONS ILLUSTRATE AT LEAST THREE DIFFERENT LINES OF SOCIALIST LABOR POLICY. GIVEN NEW FOUND PSD STRENGTH AND ACTIVITY IN WHITE COLLAR OCCUPATIONS, PS/CDS GOVERNMENT CAN EXPECT LABOR STRIFE FROM LEFT AND RIGHT PARTICULARLY WHERE GRIEVANCES SEEM JUSTIFIED AS IN THE TEACHERS AND BANKWORKERS STRIKES.

4. COMMUNISTS MAINTAIN BLUE COLLAR CONTROL. MAJOR NORTHERN BLUE COLLAR UNIONS OF TEXTILE AND METAL WORKERS HELD ELECTIONS MARCH 20. A SINGLE COMMUNIST SLATE BACKED BY INCUMBENT CGTP-INTER LEADERSHIP RAN IN TEXTILE UNION ELECTION. LESS THAN 10 PERCENT OF ELIGIBLE TEXTILE WORKERS BOTHERED TO VOTE. VOTER PARTICIPATION IN METAL WORKERS ELECTION WAS 18 PERCENT. COMMUNISTS SCORED HEAVILY AGAINST ULTRA-LEFT AND SOCIALIST SUPPORTED TICKETS. FOURTH RUNNING PSD SLATE RECEIVED 6 PERCENT OF THE VOTE.

5. COMMENT. COMMUNISTS ARE MAINTAINING BLUE COLLAR CONTROL IN THE NORTH WITH A VARIETY OF TECHNIQUES RANGING FROM STRONG-ARM TACTICS ON THE SHOP FLOOR TO KEEPING DEMOCRATICALLY INCLINED

WORKERS OFF ELIGIBLE VOTER ROLLS. PSD LABOR SOURCES STATE  
THEY DON'T HAVE THE RESOURCES AS YET TO CHALLENGE THE COMMUNISTS  
IN SUCH BLUE COLLAR TRADES. SOCIALISTS WHO ATTRACT MUCH MORE  
NATURAL SUPPORT IN THESE SECTORS AREN'T EXPECTED BY LOCAL  
CONTACTS TO THREATEN COMMUNIST DOMINATION UNTIL THE PS AGREES  
ON A CONSISTENT LABOR POLICY. PENNER

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